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INTELLIGENCE MEMORANDUM

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### INTELLIGENCE MEMORANDUM

SUBJECT: Egypt Threatens to Abrogate the Anglo-Egyptian Treaty

The uneasy stalemate in the Anglo-Egyptian defense discussions, expected until a few days ago to be broken by an imminent Egyptian denunciation of the 1936 Anglo-Egyptian Treaty, has been granted a short extension. The British, meanwhile, are working on a new Middle East defense proposal which they hope will meet Egypt's objections and avoid insulting its national pride. The possibility of reaching an agreement with Egypt is remote, however, unless the militant nationalism of the country can be calmed.

In a speech to the Egyptian Parliament on 6 August, Foreign Minister Salaheddin had said that the recent statement of British Foreign Secretary Morrison had closed the door on negotiations. More recently, he told the British Ambassador that he saw no alternative to abrogating the treaty, but he has also stated that he does not plan to do so until perhaps October. King Farouk does not want the negotiations broken off, but the Prime Minister has stated that Salaheddin has expressed the views of the government, which are more unyielding.

In the statement of the British Foreign Secretary to which Salaheddin referred, it was asserted that the UK had responsibilities in the Suez Canal area on behalf of the Western allies. Morrison stated that Egypt could not stand alone in its defense any more than the UK could and invited Egypt's equal partnership in resisting aggression. Salaheddin's exception to this speech, which enunciates British commitment to the concept of joint defense of the Suez Canal Zone, highlights the divergence of view between the two countries, which has become more evident during the past six years.

For Britain, use of the Suez Canal bases is the keystone of its defense plans for the Middle East, an area whose importance is to them second only to that of the British Isles. The British have been willing to evacuate their troops and locate their main striking force elsewhere; but in the opinion of high-level British military commanders, there is no substitute for the use of the Suez Canal as a headquarters base.

The British have refused to withdraw their troops before receiving a guarantee of their right of re-entry in the event of war or the threat of war. In addition, they are seeking a formula for joint Anglo-Egyptian control of the bases in order to assure their maintenance at necessary standards. The UK would also like to conclude arrangements that would permit the retention of RAF squadrons and a ground defense organization after the evacuation of the main body of ground troops.

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These proposals have been rejected by Egypt. In its view the concept of joint defense is an infringement of Egyptian sovereignty. The Egyptians insist that their army is capable of defending Egypt and the Suez Canal Zone. They want the immediate evacuation of British troops, although they would allow their return in time of war.

Some Egyptians are aware of the difficulties to be faced should the British withdraw. The King especially has shown concern over the poor performance of the Egyptian army during the Palestine fighting. However, evacuation of the British is a domestic issue of great demagogic appeal. No political leader has any future unless he makes some obeisance to this shibboleth.

At the moment, the traditional antipathy to the British has been heightened by indignant statements in the House of Commons on Egypt's attitude toward the UK, and by the UN efforts to have the Egyptians lift their restrictions on Israel-bound Suez Canal traffic. The recent statements of Egyptian leaders have produced a situation in which the public will expect abrogation of the treaty, and the government may find it has no alternative to denunciation. Recent political assassinations in the Near East have cast a spell of fear and uncertainty over many leaders. Egyptian officials in the past have not exhibited great courage; at present, they will be even less inclined to resist public clamor.

With the discussions on the admission of Greece and Turkey into NATO and the command structure for the Mediterranean, the Anglo-Egyptian impasse becomes of more direct concern to the United States, even though the prime responsibility for the defense of the Middle East continues with Britain. The new defense arrangement on which the British are working probably involves their suggested Middle East Command consisting of the US, the UK, France, Turkey, and possibly other states. By linking Egypt with such a defense plan, it might be possible both to preserve the minimum British requirements in a multilateral form, and at the same time to soothe outraged Egyptian sovereignty.

Under such a plan, it would not be British forces alone which were participating in the defense of Egyptian territory. However, as long as the Egyptians, inspired by extreme nationalism, feel that by themselves they are capable of maintaining the base facilities and defending the Canal Zone, they will be reluctant to join in even a multilateral arrangement.

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